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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

In re:

WILSON BAO,

Debtor.

DOUGLAS M. WHATLEY, Chapter 7
Trustee,

Plaintiff,

v.

NGUYEN HONG FAMILY LLC,

Defendant.

CASE NO. 12-33907-C-7

ADVERSARY NO.

C O M P L A I N T F O R
P R E F E R E N T I A L T R A N S F E R

(11 U.S.C. section 547)

Plaintiff, Douglas M. Whatley, Chapter 7 Trustee of the above-referenced
bankruptcy estate, by and through his counsel of record, brings this Complaint for
Preferential Transfer of a secured interest against real property commonly known as 7235
Buffy Lane, Sacramento, CA 95828; APN 065-0042-059-0000 (hereinafter referred to as
"Subject Property") and for annulment of said secured interest, and alleges as follows:

1. This action arises under 11 U.S.C. section 547 and 550 of the Bankruptcy
Code. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C.
sections 157 and 1334. Venue is proper pursuant to 28 U.S.C. section 1409. This

1 adversary proceeding constitutes a core matter pursuant to 28 U.S.C. section 157(b)(2)(F).

2 2. Wilson Bao aka Quy-An W. Bao (hereafter the "Debtor") filed a voluntary
3 Chapter 7 bankruptcy petition for liquidation on July 30, 2012.

4 3. Plaintiff Douglas M. Whatley (hereafter the "Trustee") was appointed as the
5 Chapter 7 Trustee to administer the Debtor's bankruptcy estate, in which capacity he brings
6 this action.

7 4. Defendant Nguyen Hong Family LLC (hereafter the "Defendant") is based in
8 the Eastern District of California and it's agent for service of process is Hang Ngoc Minh
9 Nguyen, 2 Sunny Hollow Court, Sacramento, California 95823.

10 5. On or about June 20, 2012 (Book 20120620; Page 1354), a Short Form Deed
11 of Trust with Assignment of Rents was filed with the Sacramento County Recorder
12 securing the Subject Property in the amount of \$240,000.00 based on a loan document
13 dated April 20, 2011 and titled "Financial Agreement.". A true and correct copy of the Deed
14 of Trust is attached hereto as Exhibit "A." A true and correct copy of the Financial
15 Agreement is attached hereto as Exhibit "B."

16 6. The Deed of Trust referred to in paragraph 5 was perfected with the
17 Sacramento County Recorder's Office within 90 days of the filing of the Debtor's Chapter
18 7 petition; the security was for the benefit of the Defendant; the security was for or on
19 account of an antecedent debt owed by the Debtor before the security was perfected; was
20 perfected while the Debtor was insolvent and the recording of the security would enable
21 the Defendant to receive more than it would otherwise receive as a Chapter 7 creditor
22 without the security interest being perfected.

23 7. 11 U.S.C. section 547(b) confers upon the Trustee the ability to avoid any
24 transfer of an interest of the debtor in property under the facts detailed in paragraph 6.

25 8. Under 11 U.S.C. section 550, for a transfer avoided pursuant to 11 U.S.C.
26 section 547, a bankruptcy trustee can recover from the recipient the transferred property
27 or the value of the transferred property.

28 ////


1 **WHEREFORE**, Plaintiff prays for an entry of judgment from this Court:

2 1. Annulment of the Short Form Deed of Trust with Assignment of Rents which
3 was filed with the Sacramento County Recorder on or about June 20, 2012 (Book
4 20120620; Page 1354) securing the real property commonly known as 7235 Buffy Lane,
5 Sacramento, CA 95828; APN 065-0042-059-0000 in the amount of \$240,000.00 based
6 on a loan document dated April 20, 2011 or the current fair market value of the Subject
7 Property and

8 2. For such other and further relief as the Court may deem appropriate.

9 DATED: September 30, 2013

LAW OFFICE OF BARRY H. SPITZER

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11 By: 
12 BARRY H. SPITZER
13 Attorneys for Douglas M. Whatley
14 Chapter 7 Trustee
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RECORDING REQUESTED BY:

Quy-An W. Bao

AND WHEN RECORDED MAIL TO:

Nguyen Hong Family LLC

2 Sunny Hollows Ct.

Sacramento, CA 95823



Sacramento County Recorder
Craig A. Kramer, Clerk/Recorder

BOOK **20120620** PAGE **1354**

Wednesday, JUN 20, 2012 2:59:21 PM
Ttl Pd \$39.00 Rcpt # 0007328602

TML/85/2-2

THIS SPACE FOR RECORDER'S USE ONLY:

SHORT FORM DEED OF TRUST WITH ASSIGNMENT OF RENTS

(This Deed of Trust contains an acceleration clause)

THIS DEED OF TRUST, made on **May 1, 2011**, between **Quy-An W. Bao AKA Wilson Bao, A SINGLE MAN** herein called **TRUSTOR**,

whose address is 6949 Gardner Avenue Sacramento, CA 95828

NGUYEN HONG FAMILY, LLC herein called **BENEFICIARY/TRUSTEE**,

WITNESSETH: That Trustor grants to Trustee in Trust with Power of Sale that property in the County of Sacramento, State of California, described as:

Parcel 3, as shown on the map entitled, "portion of northeast quarter section1, Township 7 North, range 5 East, M,D,B,M," filed for record March 4, 1980, in book 55 of parcel maps, page 31.

A.P.N.: 065-0042-059-0000

Commonly Known As: 7235 Buffy Lane, Sacramento, Ca 95828

***DEED OF TRUST SECURED BY A NOTE IN THE AMOUNT OF \$240,000.00 TO NGUYEN HONG FAMILY, LLC**

If the trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of this title or any interest therein in any manor or way, whether voluntarily or involuntarily, without the written consent of the beneficiary being first had and obtained, beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon beneficiary to collect and apply such rents, issue and profits.

For the Purpose of Securing: (1) Payment of the sum of \$240,000.00 with interest thereon according to the terms of a promissory note or notes of even ate herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, and (2) the performance of each agreement of Trustor incorporated by reference or contained herein (3) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust

EXHIBIT A

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A. and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1954, and in all other counties August 18, 1964, in the book and at the page of official records in the office of the county recorder of the county where said located, noted below opposite the name of such county, namely:

County	book	page	county	book	Page	county	book	page	County	book	page
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lako	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	L A	T-3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusu	323	391	Marin	1849	122	San Berno		6213	768	Sutter	655
Costa Eldorado	704	635	Merce	1660	753	San L.O	1311	137	Tulare	2530	108
Fresnn	5052	623	Modoc	191	93	San Mateo		4778	175	Tuolumne	177
Glenn	469	76	Mono	69	302	Santa Bara		2065	881	Ventura	2607
Humboldt		801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego	Series 5	Book 1964	page 14977		

Shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on the reverse side hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if act forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefore does not exceed the maximum allowed by law.

The undersigned Trustor, request that a copy of any notice of default and any notice of sale hereunder be mailed to him at hic address hereinbefore set forth.

STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

SIGNATURE OF TRUSTOR:

On 6/20/2012

Before me, AN VAN NGUYEN

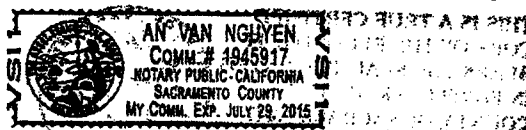
Wilson Bao
QUY-AN W. BAO AKA WILSON BAO

A Notary Public in and for said State, personally appeared
Wilson Bao

who proved to me on the basis of satisfactory evidence to be the person (s) whose name(s) is/are subscribed to the within instrument and acknowledge to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature An van Nguyen

Financial Agreement

This pre-escrow agreement made on April 20th 2011 between Wilson Bao and Nguyen Hong family, LLC. Prior to fund the loan of \$240,000 (include the fees).

Term of Agreement:

1. Nguyen Hong family LLC. (represent on behalf of friend and family) as the lender will fund the Loan of \$240,000(include the fees).The Note and Deed of Trust to be follow after close of escrow for the property locate at:
7235 Buffy lane, Sacramento, CA 95828, USA. APN: 065-0042-059-0000
2. Wilson Bao as the borrower promise to pay according to the note and the Deed of Trust secured by the real property at 7135 Buffy Ln, Sacramento, CA 95828.
3. Borrower agree to pay off the note on or before May 30, 2012. If not then the Deed of Trust will be record to protect Nguyen Hong Family, LLC interest.

Wilson Bao

Quy An Bao aka Wilson Bao

4/20/11

Date

EXHIBIT B